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SUBJECT: BELARUS WEEKLY POL/ECON REPORT - July 18, 2008

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Civil Society

12. Opposition Youth Expelled

Baranovichy State University expelled fourth-year engineer student Ales Kravchenya on July 14. The administration warned Kravchenya over his political activities after his administrative arrest and fine in March 2008. In an interview with a local newspaper, the activist also vehemently criticized local authorities for their youth and civil policies.

13. Demonstration Dispersed and Opposition Leader Beaten

On July 14, the special task forces dispersed a demonstration of approximately 50 opposition members in central Minsk and beat United Civic Party Leader Anatoly Lebedko. The opposition was protesting the July 3 bombing-related searches and arrests of the democratic activists. Lebedko sought medical assistance for his injuries and reported chest, abdominal, and leg haematomas. The Interior Ministry dismissed the reports about Lebedko's beating maintaining

he "fell and lay on the ground" and was dressed "a vagabond".

14. United Civic Party Youths Jailed

On July 11, a Minsk district court sentenced United Civic Party youth activists Mikhail Pashkevich and Vitaly Stozharov to 15 days in jail and Kirill Pavlovskiy to 10 days in jail on minor hooliganism charges. The police apprehended three activists on July 11, and human rights advocates linked arrests with the July 3 bombing as well as upcoming parliamentary elections.

15. Human Rights Advocate Jailed

On July 16, the police forcefully transferred Vitebsk-based human rights lawyer Pavel Levinov from a hospital to a jail to serve a 10-day sentence. A judge sentenced Levinov on May 26 to imprisonment and a fine of 700,000 rubles (USD 330) for minor hooliganism and disobeying police orders. Levinov unsuccessfully appealed the verdict and stated he was hospitalized July 15 after "a clash" with police officers.

16. Chernobyl Initiatives Center Denied Registration

On July 16, the Justice Ministry (MOJ) denied registration to the Center for Chernobyl Initiatives Support. The MOJ alleged the NGO's charter conflicted laws and not all of its members attended the founding convention. Leader of the Center and National Academy of Sciences professor Ivan Nikitchenko dismissed all the claims and pledged to appeal the denial in the Supreme Court.

17. Opposition Members to Sit on Precinct Commissions

Central Election Commission Secretary Nikolay Lozovik announced on

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July 15 that 42 members of opposition groups, including 38 representatives of political parties, were elected to the 110 precinct electoral commissions. Human rights groups and independent observers welcomed more opposition activists in commissions at 2008 parliamentary elections than during the polls in 2004. Nevertheless, they expressed concern over the lack of transparency, as the meetings of local authorities and council members were held behind closed doors.

18. Three Opposition Activists Released

The BKGB released Sergey Vysotskiy, ex-chair of the Belarusian Freedom Party, Aleksandr Sergiyenko, United Civic Party member, on July 13, and Pavel Kuryanovich, European Belarus campaign activist, on July 12 without formal charges or explanations. The three were arrested July 10 for interrogations about the bombing in central Minsk during Belarusian Independence Day festivities on July 3. The police also searched activists' residences. All three are currently not allowed to leave Belarus and have to arrive promptly for further questioning, should police summon them to do so.

19. Opposition Activists Remain Jailed after Bombing

Approximately eight opposition activists reportedly remain in jail on July 3 bombing suspicion. Members of the defunct Belarusian Union of Military Servicemen Viktor Leshchinskiy, Igor Korsak, Miroslav Lozovski, Sergey Chislov, unregistered Right Alliance member Yuri Karetnikov, Belarusian Popular Front members Iliya Bogdan and Anton Koypish, and opposition youth Tatyana Pekun were arrested on various dates starting July 9. All the suspects will be held in custody for 10 days until being officially charged or released. Human rights lawyers stressed at a press conference on July 11 that more unreported individuals could be detained in relation to the bombing. They also noted that the suspects had been pressured to respond to all the questions and sign all the papers to expedite their release. The Interior Ministry did not confirm the number of the detained suspects in the bombing case.

110. Belarus May Temporarily Limit or Ban Food Exports

On July 10, Belarus' government issued resolution 1001, which may temporarily limit or ban food exports from the country. The resolution also lists such products. The list includes meat, milk and milk products, grain, flour, beans, rapeseed, vegetable oil and animal food. Their supplies on the domestic markets will be constantly monitored. The government believes this will help ensure food stability and avoid food shortages in Belarus.

111. Belarus Partially Liberalizes Stock Market

On July 10, Belarus' government passed resolution 1002, which partially liberalizes the country's stock market starting on July 17. According to Finance Ministry's comments given to Prime-Tass news service, the resolution only allows selling and buying stocks of minority shareholders on the stock exchange. Also, this applies to the limited number of joint stocks and the list has not been publicized yet. The document also established that the margin cannot exceed 20 percent.

112. Foreign Investment Insufficient to Meet Ambitious Goals

Speaking to the members of the Belarusian Union of Entrepreneurs and Employers on July 11, the Economy Ministry official said the government is not happy with the volume of foreign investment the country received in the first quarter. USD 2.1 billion foreign investment (of which USD 0.6 billion was FDI) made only 3.2 percent of the total volume of investment. At present, Belarus ranks 110th on the list of economies most attractive to foreign investment. Seeking to improve the situation, as Lukashenko set the goal of joining top 30 in less than three years, the government drafts regulations on investment and venture funds. It also plans to hold Belarus' investment forum in London in November.

113. Savings Accounts in Belarusian Banks Grow Rapidly

According to the data received by Prime-Tass news service from Belarus' National Bank on July 16, money on Belarusians' savings accounts in domestic banks have grown through June by 19 percent to the record high USD 5.9 billion. The plan set by the government for the country's banking system in 2008 is to secure a growth of up to USD 1.7 billion. In the first six month the number was USD 940 million. On June 14, president Lukashenko signed into law a bill, which guarantees starting next year an offset of up to Euro 5 thousand on a savings account in a Belarusian bank in case of its insolvency.

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International Trade

114. Gazprom Threatens to Sue Beltransgaz for Incomplete Payments

According to various news agencies, Russia's Gazprom threatened July 16 to sue Belarus' Beltransgaz if it continues to pay USD 119 rather than USD 128 per one thousand cubic meters of natural gas supplied to Belarus. While Gazprom sticks to the price agreement signed by both sides in December 2006 and based on European prices, the Belarusian side seeks to negotiate prices for this and next year and threatens to increase transit prices for Gazprom. The price, which had been USD 46 before January 2007, is expected to increase to USD 200 in January 2009.

115. Belarus to Export \$30 Million in Fertilizers to U.S.

According to Prime-Tass news service, Belarusian Potassium Company "Belaruskaliy" signed an agreement earlier this month on the supply of 30,000 tons of fertilizers to the U.S. at a price of USD 1,000 per ton. The company also won tenders to supply 30,000 tons to Bangladesh and 40,000 tons to Sri Lanka.

Quote of the Week

¶16. Speaking in Minsk at the reception in honor of the graduates of a few military academies on July 15, Lukashenko said: "Economic sanctions against our country, political pressure and speculations on freedom and democracy issues contradict the principles of good neighborhood and cooperation."

He also said that "certain politicians in the West keep calling openly for the non-constitutional change of power in Belarus and imposition of the Western model of the so-called democracy."

He believes "the goal of such activities is to destabilize the situation, annihilate the political system, subdue the sovereign state to the forces, which seek to establish a unipolar world."

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